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TORONTO, GREY and BRUCE RAILWAY COMPANY,

Total Length about 200 Miles.

Including Branches to Kincardine and Owen Sound.

Length of First Section, from Toronto to the Garafraxa Road,

ABOUT 70 MILES.

TOTAL CAPITAL, \$3,000,000,

Capital required for the First Section,

\$1,050,000.

Bonuses already voted by Municipalities for First Section of the Main Line,

\$425,000.

As follows:—City of Toronto, \$250,000; Albion, \$40,000; Caledon, \$45,000;
Meaf, \$45,000; Orangeville, \$15,000; Amaranth, \$30,000.

Bonuses yet to be obtained for the First Section,

\$77,000.

Bonuses required and obtainable to extend First Section, from Arthur to Mount Forest.

\$138,000.

FIRST ISSUE OF STOCK IN \$100 SHARES, \$325,000.

Upon which Bonds will be issued for \$300,000.

The arrangements for the extension to Mount Forest, now in progress, when completed,
will involve the further issue of Stock and Bonds to the extent of

\$125,000.

PRESIDENT,

JOHN GORDON, Esq.

VICE-PRESIDENT,

A. R. McMASTER, Esq.

DIRECTORS.

HON. M. C. CAMERON, *Provincial Secretary*
 HON. JOHN McMURRICH, M.P.
 S. B. HARMAN, Esq., *Mayor of Toronto*
 NOAH BARNHART, Esq.
 H. S. HOWLAND, Esq., *Vice-President Bank of Commerce*
 JAS. MICHIE, Esq., *Fulton, Michie & Co*
 JOHN CRAWFORD, Esq., M.P.
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 ADAM CROOKS, Esq., Q.C.
 JOHN WORTHINGTON, Esq.

TRUSTEES OF BONUSES.

HON. JOHN McMURRICH, *COMPANY'S TRUSTEE*
 A. W. LAUDER, M.P.P., *GOVERNMENT TRUSTEE*
 LEWIS MOFFAT, Esq., *MUNICIPALITIES TRUSTEE*

COUNSEL.

HON. JOHN HILLYARD CAMERON,
 SOLICITOR.

W. H. BEATTY, Esq.

CONSULTING ENGINEERS.

SIR CHARLES FOX & SONS.

BANKERS.

BANK OF TORONTO.

BANK OF COMMERCE.

BROKERS.

CAMPBELL & CASSELS,
 BLAIKIE & ALEXANDER.

SECRETARY.

W. S. TAYLOR.

TEMPORARY OFFICES—46 FRONT STREET, TORONTO.

PROSPECTUS.

The Provisional Directors of the Toronto, Grey and Bruce Railway Company, finding that further progress in the building of Broad Gauge Railways in Canada, with English Capital, was no longer financially practicable or expedient for lines of Railway projected for local traffic, and having become cognizant of the successful working for a number of years of Railways built on the three feet six gauge, in the Kingdoms of Norway and Sweden, in the colonies of Queensland, in India and elsewhere, and that these Railways were capable of accommodating a traffic of about a million, or a million and a half of tons of goods per annum, and of carrying passengers at a speed of twenty-five to thirty miles an hour, and that the total traffic of the Northern Railway of Canada has not exceeded 195,000 tons, and 110,000 passengers per annum: have therefore resolved to construct the Toronto, Grey and Bruce Railway on the three feet six inch gauge, in the most economical and efficient manner at a total cost of \$15,000,000 per mile.

The Directors have also noted Capt. Tyler's (now Vice-President Grand Trunk Railway) report on the Festiniog Railway, two feet gauge, in Merionethshire, Wales, the freight and passenger traffic of which approximates closely to that of the Northern Railway of Canada, and with the exception of the lumber traffic, largely exceeds that carried on the Lindsay and Port Hope, or on the London and Port Stanley Railways.

With a view to a just apportionment of the risk incidental to capital invested in Railway enterprise in Canada, it was also resolved to make the Municipalities most to be benefited by the construction of the Railway, for one-third of the total cost by way of bonus or gift. This proportion of the cost has already been voted for the first section, (excepting small sums yet obtainable,) in debentures bearing six per cent interest, payable in 20 years—securities which are unexceptionable and will sell at or near par.

Of the remaining capital, it is proposed now to offer \$325,000—to be subscribed in stock. If that or a larger amount is not so subscribed, funds will be raised for the balance of about \$300,000.

Local capital to the extent of more than two-thirds of the cost of the Railway, will be security to holders of the bonds of this Company.

The interest and dividend-bearing capital will not exceed \$9,000,000 per mile.

The Directors, although anxious, and having authority under their charter to make the village of Mount Forest the terminus of the first section, are unwillingly constrained to select an eligible point, nearer, on the Garafraxa Road, in the Township of Arthur.

This decision may be altered, and Mount Forest made the terminus of the first section, by the Municipalities concerned voting the amounts of bonuses, as required by the Company.

In either case the capital derivable from bonuses will be about the same per mile.

Arrangements to complete the remaining sections of the Railway through the Counties of Bruce and Grey, will be prosecuted with unremitting vigour, as soon as the first section is fairly under construction.

The Garafraxa Road, the great highway from Owen Sound, through the Counties of Grey and Wellington to Guelph; and the other great highway, the Elora and Saugeen Road, from Southampton, through the Counties of Bruce and Wellington, ultimately uniting with the Garafraxa Road, passes within from 5 to 8 miles of the proposed terminus of the first section of the Railway, to connect with which a gravel road will be built; while the Toronto and Sydenham gravelled road, from Chataworth, intersecting the Durham and Collingwood road, reaches to within twelve or fifteen miles of the Orangeville station, and when completed, together with the others, assures to the Toronto, Grey and Bruce Railway the traffic of the whole heart of the North-western peninsula.

The Bulk of the products of the great Counties of Bruce and West Grey is shipped by water, on account of the distance from the Grand Trunk Railway, only a part being moved in the autumn, the principal portion being marketed and stored, during winter, at the ports on the shores of Lake Huron and the Georgian Bay. At four of these points there are now stored a quarter of a million bushels, while the aggregate at all the points amounts to about 500,000 bushels.

The loss of interest on the capital thus invested, together with the proportionately lower prices paid for produce during winter in these remote districts, are serious drawbacks to their prosperity.

The distance deprives producers of the facilities afforded by the Grand Trunk Railway, and the Montreal Steamship line for moving, in winter, produce to markets, as well as of the very great advantage of Railway communication to the flourishing city of Toronto, (the best distributing point, either in winter or summer,) and now the capital of Ontario.

The total area between the Grand Trunk and the Northern Railway of Canada is 6,800 square miles, of the richest and most fertile land in Canada. The Toronto, Grey and Bruce Railway will intersect this district, about midway between the two other Railways, and when completed will confer immense benefits on the people in that district, while it is quite evident that the general business which will be brought to the city of Toronto, (exclusive of through traffic) will equal that brought to it by all the other Railways.

The Toronto, Grey and Bruce Railway will obtain a much larger passenger, grain, cattle, and first-class goods traffic than the Northern Railway; while the sawn pine, which must be imported to supply the absence of that building material, and the export of square hardwood timber, sawn oak, elm, cherry, &c., staves, bark, fencing, and cordwood (fuel), will afford a very large and remunerative business to the Toronto, Grey and Bruce Railway.

The Freestone and other stone used for building material in Toronto are now imported from Cleveland or Kingston. On the route of the T. G. & B. R. there are, near Orangeville, extensive quarries of the very best soft and hard brown and white freestone, which will be in great request for export and general city building purposes. The advantage to the Railway, and this city, of these quarries, are not yet generally appreciated.

The subjoined tables of the traffic of the Northern Railway will serve to illustrate the local business of a railway 95 miles long, through an average country in Canada.

IN 1861

The Local Traffic of the Northern Railway of Canada amounted to

Through.....	120,000 tons.
Passengers.....	25,000
Local Receipts.....	100,618
Through.....	\$362,507
Running expenses.....	48,432
Excess of earnings over running expenses on local traffic.....	\$314,075
Do, on Through Traffic.....	15,498
Local earnings equal to 8½ per cent. on a cost of \$15,000 per mile.	
Or 12½ on \$10,000 per mile.	

1864.

Local Traffic.....	180,700 tons.
Through Traffic.....	8,344 "
Passengers.....	104,346
Local Receipts.....	\$452,382
Through ".....	14,884
Running expenses.....	\$467,266
Excess of earnings over running expenses on local traffic.....	52 per cent.
Do, on through traffic.....	217,143
Local earnings equal to 15 2-5 per cent. on a cost of \$15,000 a mile.	7,144
Or 23½ per cent. on \$10,000 per mile.	

1868.

Local and Through Traffic.....	194,583 tons.
Passengers.....	138,965
Local Receipts.....	\$537,380
Through ".....	12,690
Running expenses.....	\$550,070
Excess of earnings over running expenses on local traffic.....	61 per cent.
Do, on Through Traffic.....	\$209,578
Or equal to 14½ per cent. on \$15,000 a mile (local earnings.)	4,949
Or 22½ per cent. on \$10,000 per mile.	

	Running Expenses Per cent.	Local To-nage.	Through To-nage.	Total Tons.	Passen-gers.	Local Receipts Gross.	Through Receipts Gross.	Total Receipts Gross.	Local Receipts Nett.	Through Receipts Nett.	Dividend Dividend on \$15,000 a mile. Local.	Dividend on \$15,000 a mile. Through.
1861.....	68	120,000	25,000	145,000	106,618	\$362,507	\$48,432	\$410,939	\$314,075	\$15,498	8 7-3	1 1-10
1864.....	68	180,700	8,344	189,044	152,515	\$452,382	\$14,884	\$467,266	\$314,075	\$7,144	15 2-5	1 2
1868.....	61			194,583	138,965	\$537,380	\$12,690	\$550,070	\$209,578	\$4,949	14 7-8	1 3
				528,629	398,098	\$1,352,269	\$70,006	\$1,422,275	\$542,703	\$27,591	12 5-6	2-3
Average.....				176,309	116,643	450,756	25,335	476,091	180,901	9,197	12 5-6	2-3

From the above data it will be seen that the Northern Railway carried an average for those three years of 176,209

tons of freight, and 116,643 passengers; the average gross receipts being \$450,756, while the net receipts from local traffic were \$180,901, equal to an annual dividend of 12½ per cent. on a cost of \$15,000 per mile.

It is remarkable and of consequence to intending subscribers for stock of the T. G. & B. R., that the net receipts for through traffic for the same years only averaged \$9,197 per annum, equal to a dividend of ⅓ of one per cent. on a cost of \$15,000 per mile. This fact clearly proves the value of local as against through traffic.

The grain, cattle, pork, goods and passenger traffic tributary to the first section of the Toronto, Gray and Bruce Railway, will equal, if not exceed, for the same length of line, the local traffic of any other railway in Canada.

The following estimate of traffic from the first section of the Toronto, Gray and Bruce Railway, are based upon calculations on the returns made by the Municipalities, and an intimate acquaintance with their trade and resources:

Passengers—140,000.....	245,000
Cereals—2,000,000 bushels.....	100,000
Flour—50,000 bbls.....	15,000
General Goods—50,000 tons.....	150,000
Square Timber—1,000,000 cubic feet.....	30,000
Staves, lumber, bark, posts, &c.....	10,000
Cordwood—20,000 cords.....	25,000
Mails and express.....	20,000
Total.....	\$490,000

Allowing 60 per cent. for running expenses, the net earnings would amount to \$196,000, equal to a dividend of 13 per cent. on a cost of \$15,000 per mile.

Allowing reasonable margin for increased cost or less traffic (the moderate estimate of which will be undisputed), there remains the strongest reasons for anticipating a dividend of 10 per cent. per annum.

By the Act of Incorporation, the Company is specially bound to carry cordwood, and to afford every necessary facility for so doing, at the specified rate of 3 cents per cord per mile for dry wood, for all distances under 50 miles, and 2½ cents per cord per mile for all distances over 50 miles—a rate which has been found satisfactory, by the test of actual experience, on the Government Railways in New Brunswick.

This condition will enhance the cost of fuel to the Company; but the increased traffic and prosperity consequent upon this trade, it is fully believed will more than compensate for the extra cost of fuel.

The gentlemen who have promoted, and borne the preliminary expenses of this enterprise, and who desire to see it carried out in good faith on sound commercial principles, are resolved, in so far as their influence is equal to the task, to have this railway controlled by the most respectable capitalists of this city and the country on the route of the rail way to take stock in it; to convert their own securities and pay cash to contractors, and not to surrender control of the railway to contractors or bond holders; to let the contracts in a manner calculated to ensure the healthiest competition; in other words, to have value for the money from the turning of the first sod to the laying of the last rail.

The country on the route of the first section, with the exception of a short distance in Caledon, is one of the earliest for railway construction in Canada, especially the 22 or 23 miles from Orangeville to the Garesburg Road.

In the Township of Caledon—the country is hilly and rolling. This portion of the route was carefully and completely surveyed and cross-sectioned under the auspices and by the directions of Mr. J. E. Boyd, M.I.C.E., and Engineer for the Government of New Brunswick, before the Company obtained their charter, and, as anticipated, no real difficulties were encountered; the highest grade, with modern cuttings, being 65 feet to the mile. Mr. Charles Douglas Fox examined, for the Company, the figures and the profile, and, together with Mr. Boyd, gave their written opinion that the cost of this portion, per mile, for earth works, would not exceed \$15,000. There are no rock cuttings.

Ballast, ties, timber for bridges, and lumber for fences, are convenient and available at the lowest cost in Canada, along the whole route of the first section.

Every other consideration in the first instance will be subordinated to the construction of a first-class permanent way, the best of timber bridges; deep and good ballasting. Rails to weigh 40 lbs. to the yard, and to be selected of the best quality.

Arrangements are in process which will secure to the Company free right of way, through the city, and egress, if desired, for a few miles out of the city, on the line of the Grand Trunk, by means of a third rail; and the disposition of the proprietors, and other circumstances along the line are so favourable, that the whole right of way will be obtained for an amount not exceeding \$22,000.

Station grounds and deckage will be had in this city either free, or for a nominal rental.

It is the desire of the Provisional Directors to have their Chief Engineer appointed, with the concurrence, and subject to the approval of the Company's Consulting Engineers, Sir Charles Fox & Sons, who will be held responsible for the excellence of the works, economy of construction, and the success here of the system of narrow gauge railways, of which they have had large experience elsewhere, and with the initiation of which in this country they are honourably identified.

On these premises the Provisional Directors appeal for stock subscriptions to the citizens of Toronto, to the municipalities, and to the business men and proprietors of land along the route of the railway, and to capitalists elsewhere, believing that the most cautious and prudent investors will find the stock of the Toronto, Gray and Bruce Railway worthy of their attention.

The stock books will be opened at the Company's offices, Front Street, on the 21st April, at 10 o'clock, a.m. Forms of application for shares can be had on application from the secretary and from the clerks of the several municipalities on the route of the railway, and from Messrs. Campbell & Cassels, and from Messrs. Blaikie & Alexander, Toronto, and from McDougall & Davidson, Montreal.

In conjunction with the Toronto and Nipissing Railway Company, it is agreed that a member of the firm of Sir Charles Fox & Sons, Consulting Engineers, will be invited here immediately by telegraph, when active operations will be commenced.

net receipts from local
mills.
that the net receipts for
one per cent. on a one of
Toronto, Grey and Bruce
Railway, are based upon
the following figures:
145,000
100,000
15,000
150,000
30,000
10,000
25,000
20,000
\$400,000

equal to a dividend of 18
which will be undisputed,
to afford every necessary
under 50 miles, and
satisfactory, by the test of
and prosperity consequent
and who desire to see
is equal to the task, to
the route of the railway
to surrender control of
the healthiest competi-
The last rail-
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route was carefully
E. Boyd, M.I.O.E., and
it, as anticipated, no real
Mr. Charles Douglas
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Toronto, to the muni-
capitalists elsewhere,
Bruce Railway worthy

April, at 10 o'clock, a.m.
gives and clerks of the
from Messrs. Blaikie &
member of the firm of Sir
ective operations will be